

## AN ACT

ENTITLED, An Act to reduce the eligibility period for vesting in the South Dakota Retirement System.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That subdivision (74) of § 3-12-47 be amended to read as follows:

(74) "Vested," the right to an annuity payable at normal retirement age from the system after three years of credited service, even if the member leaves the employment of a participating unit, provided that the member does not withdraw accumulated contributions. A member who leaves the employment of a participating unit is not entitled to benefits under §§ 3-12-95, 3-12-98, 3-12-99, 3-12-104, and 3-12-105.

Section 2. That § 3-12-77 be amended to read as follows:

3-12-77. A member of the system who is not vested may leave the member's contributions in the system upon termination of employment for a period not to exceed ten years from the date of termination. However, no additional contributions may be made to the system by the member or a participating unit following the date of termination and no benefits in the retirement system may accrue to a member of the system following the date of termination except as provided in § 3-12-72.4. If the member withdraws the member's contributions, membership in the system terminates. If the member is an electing member, the member also shall withdraw all or a portion of employer contributions as applicable pursuant to § 3-12-150. At the end of the ten-year period, no further interest may be credited with respect to contributions. If the member fails to withdraw the member's accumulated contributions within eleven years following the member's termination, the member shall forfeit all rights to this accumulated contributions and to any credited service in connection therewith, if the system has made reasonable efforts to notify the member of the member's withdrawal rights and the effect of this section.

Section 3. That § 3-12-78 be amended to read as follows:

3-12-78. If a nonvested member who has terminated employment and has left the member's contributions in the system returns to employment with a participating unit, the system shall credit the member's prior service time toward the total length of service necessary for the member to obtain the credited service necessary for benefits provided by this chapter.

Section 4. That § 3-12-79 be repealed.

An Act to reduce the eligibility period for vesting in the South Dakota Retirement System.

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I certify that the attached Act  
originated in the

SENATE as Bill No. 50

\_\_\_\_\_  
Secretary of the Senate  
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\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 50

File No. \_\_\_\_\_

Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_ day of \_\_\_\_\_ ,

19\_\_ at \_\_\_\_ M.

By \_\_\_\_\_  
for the Governor  
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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 19\_\_

\_\_\_\_\_  
Governor  
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STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Filed \_\_\_\_\_, 19\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State